

24018 Bailey at Stassney - Application Summary

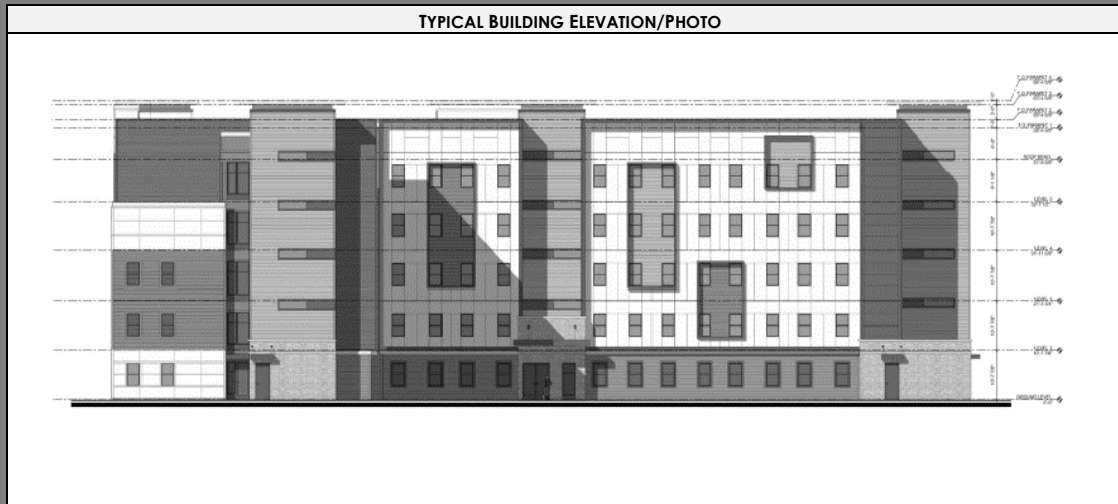
REAL ESTATE ANALYSIS DIVISION

June 28, 2024

PROPERTY IDENTIFICATION	
Application #	24018
Development	Bailey at Stassney
City / County	Austin / Travis
Region/Area	7 / Urban
Population	Supportive Housing
Set-Aside	General
Activity	New Construction

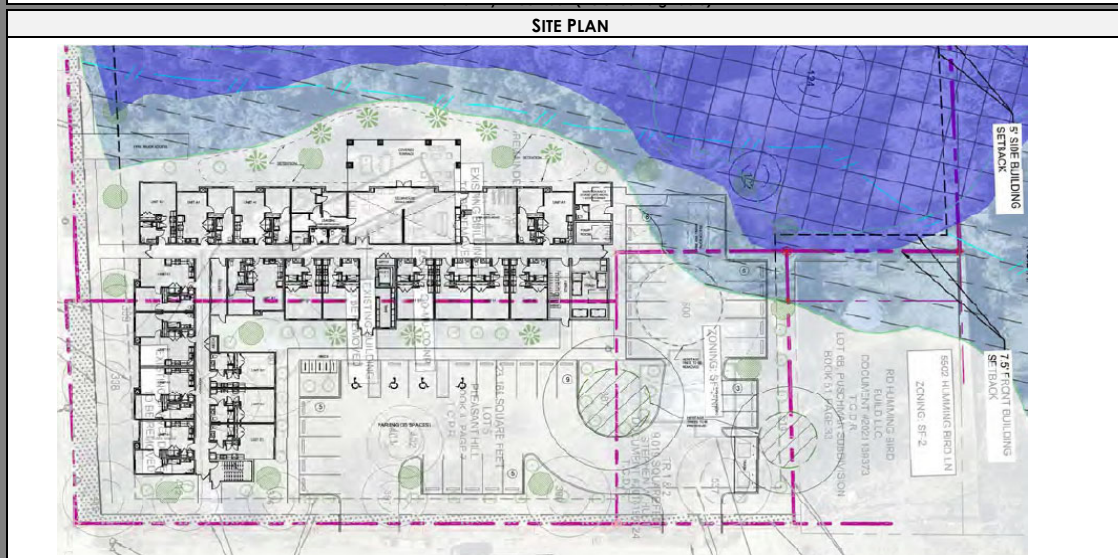
RECOMMENDATION				
TDHCA Program	Request	Recommended		
LIHTC (9% Credit)	\$2,000,000	\$2,000,000	\$19,231/Unit	\$0.84

KEY PRINCIPALS / SPONSOR		
Michael Ruane, National Community Renaissance of Texas, Inc.		
Sallie Burchett, Diva Imaging LLC		
Related Parties	Contractor - TBD	Seller - No



UNIT DISTRIBUTION			INCOME DISTRIBUTION		
# Beds	# Units	% Total	Income	# Units	% Total
Eff	52	50%	20%	-	0%
1	52	50%	30%	21	20%
2	-	0%	40%	-	0%
3	-	0%	50%	63	61%
4	-	0%	60%	20	19%
			70%	-	0%
			80%	-	0%
			MR	-	0%
TOTAL	104	100%	TOTAL	104	100%

PRO FORMA FEASIBILITY INDICATORS		
Pro Forma Underwritten	Applicant's Pro Forma	
Debt Coverage	N/A	Expense Ratio 61.1%
Breakeven Occ.	56.5%	Breakeven Rent \$697
Average Rent	\$1,159	B/E Rent Margin \$462
Property Taxes	\$1,000/unit	Exemption/PILOT 0%
Total Expense	\$8,070/unit	Controllable \$4,015/unit



MARKET FEASIBILITY INDICATORS		
Gross Capture Rate (30% Maximum)	0.9%	
Highest Unit Capture Rate	6% 0 BR/50%	35
Dominant Unit Cap. Rate	6% 0 BR/50%	35
Premiums (↑80% Rents)	N/A	N/A
Rent Assisted Units	26	25% Total Units

DEVELOPMENT COST SUMMARY		
Costs Underwritten	Applicant's Costs	
Avg. Unit Size	529 SF	Density 46.0/acre
Acquisition	\$25K/unit	\$2,605K
Building Cost	\$242.91/SF	\$128K/unit \$13,351K
Hard Cost	\$164K/unit	\$17,036K
Total Cost	\$281K/unit	\$29,201K
Developer Fee	\$3,300K (27% Deferred)	Paid Year: 2
Contractor Fee	\$2,119K	30% Boost Yes

DEBT (Must Pay)					CASH FLOW DEBT / GRANT FUNDS					EQUITY / DEFERRED FEES	
Source	Term	Rate	Amount	DCR	Source	Term	Rate	Amount	DCR	Source	Amount
Corporation (AHFC) - Deferred Payable - Cash Flow	40/0	0.00%	\$11,500,000	N/A	City of Austin - Fee Waivers	0/0	0.00%	\$500	N/A	Hudson Housing Capital LLC ("Hudson")	\$16,798,320
										CORE Bailey at Stassney Developer LLC	\$902,582
										TOTAL EQUITY SOURCES	\$17,700,902
										TOTAL DEBT SOURCES	\$11,500,500
TOTAL DEBT (Must Pay)			\$11,500,000		CASH FLOW DEBT / GRANTS			\$500		TOTAL CAPITALIZATION	\$29,201,402

CONDITIONS
1 Receipt and acceptance by Commitment: Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.
2 Receipt and acceptance by Carryover: a: Agreement to enter into Housing Assistance Payment Contract or written commitment from the Housing Authority of the City of Austin (HACA) for 26 project-based vouchers specifying the payment standard that will apply. b: Formal approval for \$11.5M loan from the Austin Housing Finance Corporation (AHFC) clearly stating all terms, conditions and source of funding.
3 Receipt and acceptance by Cost Certification: a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain. For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain. b: Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

RISK PROFILE
STRENGTHS/MITIGATING FACTORS
- No Foreclosable Debt - Low Gross Capture Rate
WEAKNESSES/RISKS
- High Expense Ratio - The development is located in a FEMA 100-year and 500-year floodplain, along with a City of Austin Fully Developed 25-year and 100-year floodplain.

AREA MAP

AERIAL PHOTOGRAPH(s)



DEVELOPMENT IDENTIFICATION

TDHCA Application #: **24018** Program(s): **9% HTC**

Bailey at Stassney

Address/Location: 400 W Stassney Lane

City: Austin County: Travis Zip: 78745

Population: Supportive Housing Program Set-Aside: General Area: Urban

Activity: New Construction Building Type: Elevator Served Region: 7

Analysis Purpose: New Application - Initial Underwriting

ALLOCATION

TDHCA Program	REQUEST				RECOMMENDATION						
	Amount	Int. Rate	Amort	Term	Amount	Int. Rate	Amort	Perm. Term	Perm Lien	Const. Term	Const Lien
LIHTC (9% Credit)	\$2,000,000				\$2,000,000						

CONDITIONS

- 1 Receipt and acceptance by Commitment:
 - Certification that if the site is in the 100-year floodplain when it places in service, the finished ground floor elevation of the buildings will be at least one foot above the floodplain and that parking and drive areas will be no more than 6 inches below the floodplain; and that the Owner will provide flood insurance for the buildings as long as they remain in the floodplain.
- 2 Receipt and acceptance by Carryover:
 - a: Agreement to enter into Housing Assistance Payment Contract or written commitment from the Housing Authority of the City of Austin (HACA) for 26 project-based vouchers specifying the payment standard that will apply.
 - b: Formal approval for \$11.5M loan from the Austin Housing Finance Corporation (AHFC) clearly stating all terms, conditions and source of funding.

3 Receipt and acceptance by Cost Certification:

- a: Architect or engineer certification that the finished ground floor elevation for each building is at least one foot above the floodplain and that all drives and parking areas are not more than 6 inches below the floodplain; or certification (including a Letter of Map Amendment or Revision ("LOMA / LOMR-F") if applicable, documenting that the development is not within the 100 year floodplain.

For any buildings remaining in the floodplain, documentation that flood insurance is in place at the property owner's expense covering the buildings and coverage will remain in force as long as they remain in the floodplain.

- b: Certification that testing for asbestos was performed on the existing structures prior to demolition, and if necessary, a certification that any appropriate abatement procedures were implemented.

Should any terms of the proposed capital structure change or if there are material changes to the overall development plan or costs, the analysis must be re-evaluated and adjustment to the credit allocation and/or terms of other TDHCA funds may be warranted.

SET-ASIDES

TDHCA SET-ASIDES for HTC LURA		
Income Limit	Rent Limit	Number of Units
30% of AMI	30% of AMI	21
50% of AMI	50% of AMI	63
60% of AMI	60% of AMI	20

DEVELOPMENT SUMMARY

The proposed development is a new construction Supportive Housing development in Austin. There will be 104 units in one 5-story elevator-served building. The unit mix includes 52 efficiency units and 52 one bedroom units. The community space will be located within the building. The site is made up of three adjacent parcels which will be replatted into one parcel. A portion of the site is in the floodplain. No buildings or parking will be built in the floodplain. There are old structures on the site that will be moved or demolished - a mobile home and a single family house.

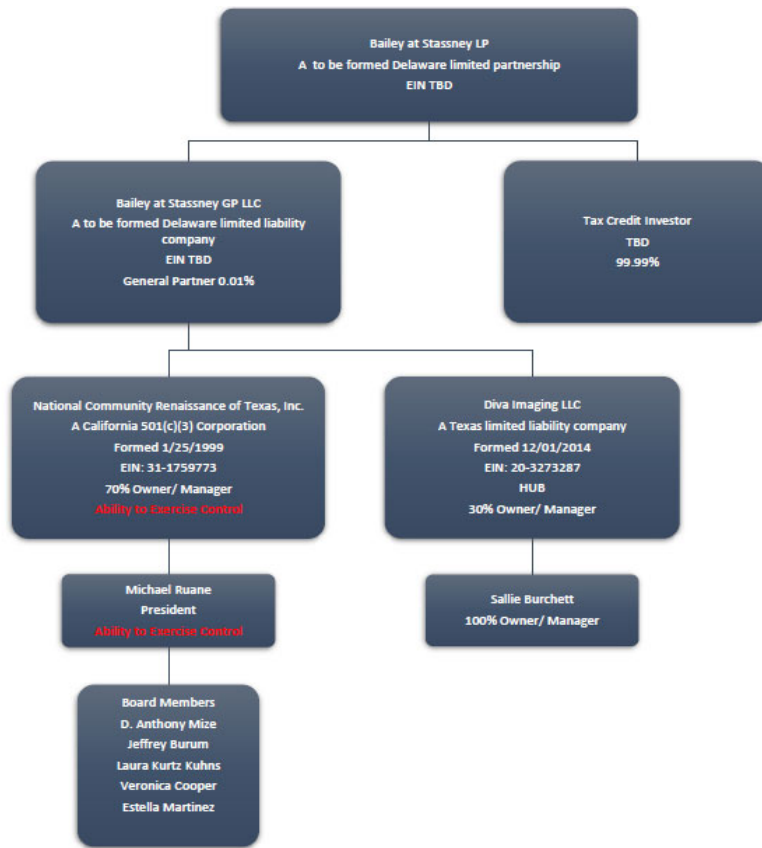
RISK PROFILE

STRENGTHS/MITIGATING FACTORS	
▫	No Foreclosable Debt
▫	Low Gross Capture Rate

WEAKNESSES/RISKS	
▫	High Expense Ratio
▫	The development is located in a FEMA 100-year and 500-year floodplain, along with a City of Austin Fully Developed 25-year and 100-year floodplain.

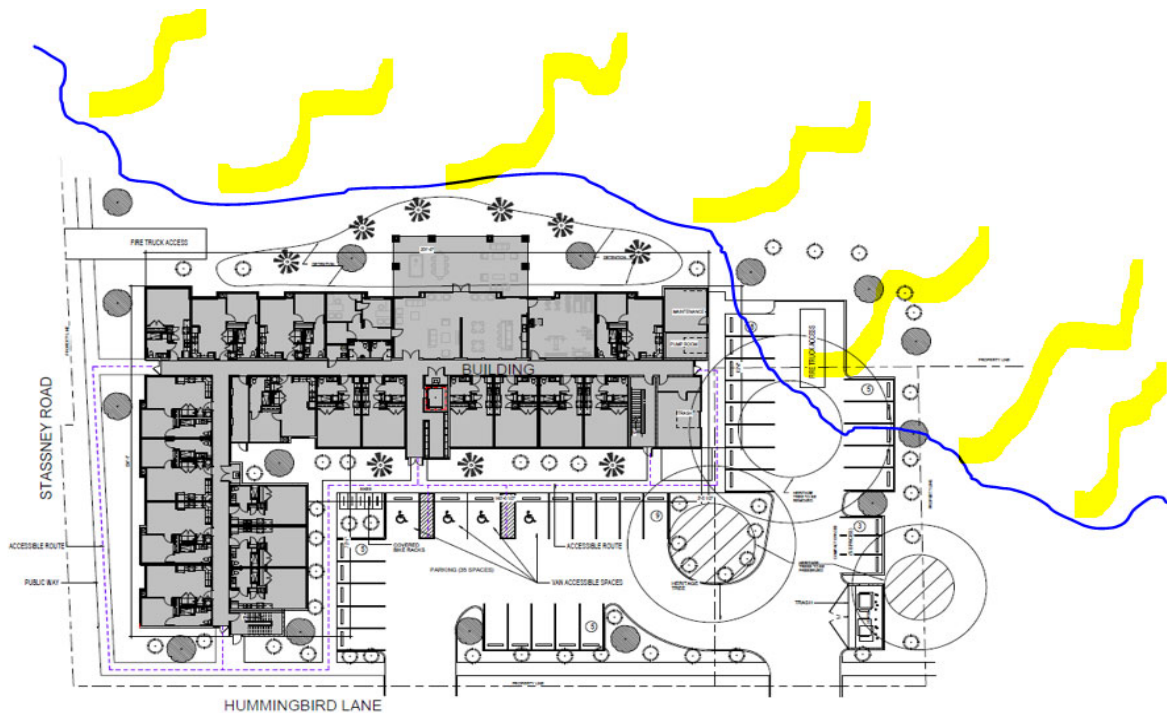
DEVELOPMENT TEAM

OWNERSHIP STRUCTURE



DEVELOPMENT SUMMARY

SITE PLAN





Comments:

Basemap Imagery Source: USGS National Map 2023. This property was assessed for flood hazards using current FEMA guidelines and standards for flood risk analysis in adherence to NFIP requirements and regulations. Portions of the Subject Property are located in a Special Flood Hazard Area.

The Development is offering 35 open surface parking at no fee and 10 bicycle spaces. This meets the City of Austin parking requirement with the Affordability Unlocked Development Bonus Program.

Building Type	A											Total Buildings	
Floors/Stories	5												
Number of Bldgs	1												1
Units per Bldg	104												
Total Units	104											104	
Avg. Unit Size (SF)	529 sf	Total NRA (SF)		54,964	Common Area (SF)*		15,400						

SITE CONTROL INFO

Development Site:	2.2633	acres	Cost:	\$2,605,000	\$25,048	per unit
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Seller: Grayl Avenue LLC; Capital River Group, LLC - Series 33; Stephen Hult & Hollis Hult

Buyer: East 43rd St., LLC dba Structure Development

Assignee: National Community Renaissance of Texas, Inc. a California non-profit public benefit corporation.

Related-Party Seller/Identity of Interest: No

Comments:

The site control acreage was an estimate based on the Appraisal District area. The recent ground survey dictates the exact acreage of 2.381 acres. The applicant stated that, at this time, all of the property shown in the three site control documents will be encumbered by the LURA less the estimated dedication of land. The estimated dedication to be approximately .1177 acres. The estimated acreage after dedication is 2.2633 and will be established after full City of Austin plan review and the as-built survey.

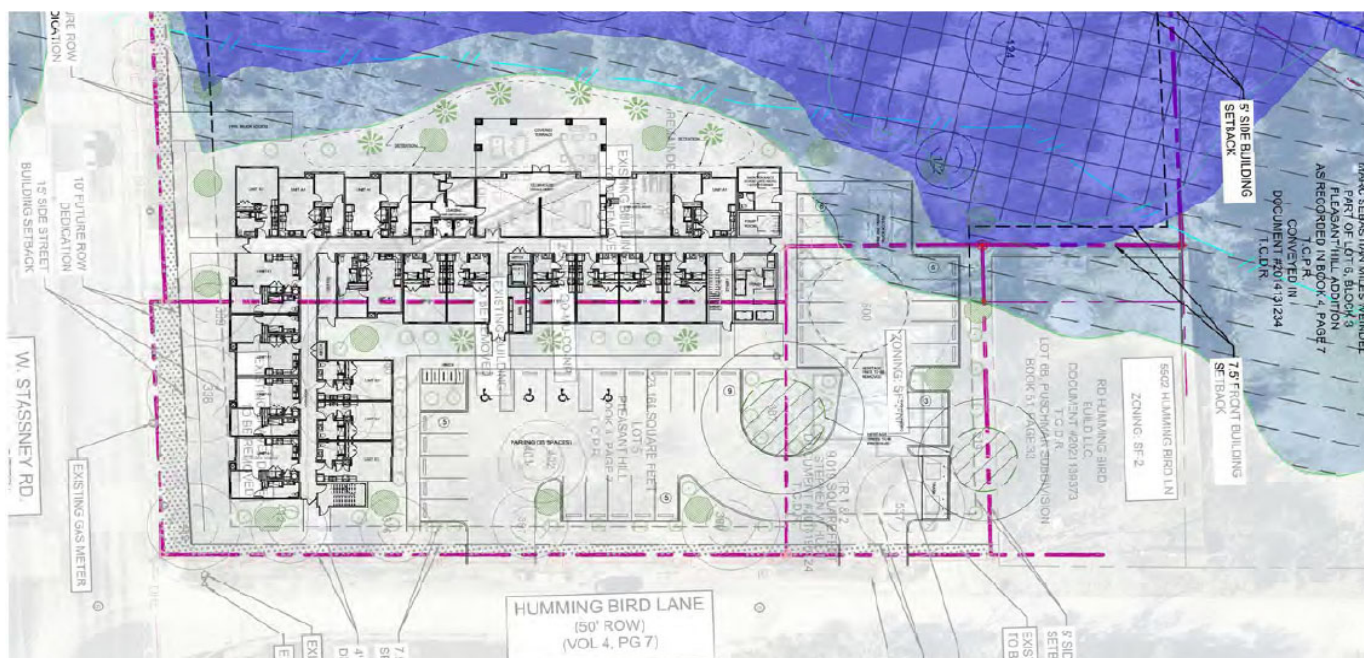
Right of Way Dedication: The Austin Strategic Mobility Plan (ASMP) identifies roadways that may be altered in order to align with proposed transportation projects. For the proposed site, the ASMP is proposing the change the right of way (ROW) of W Stassney Lane from 100' to 120'. This would require an approximately 10' of ROW dedication from the subject site along W Stassney Lane. The ASMP also proposes changing the ROW of Humming Bird Lane from 50' to 58-64'. This would require an additional 4'-7', respectively, of ROW dedication from subject site along Humming Bird Lane.

SITE INFORMATION

Flood Zone:	AE and X	Scattered Site?	No
Zoning:	GO-MU-CO-NP and Sf-2-NP	Within 100-yr floodplain?	Yes
Re-Zoning Required?	Yes	Utilities at Site?	Yes
Year Constructed:	N/A	Title Issues?	No

Current Uses of Subject Site:

The Subject Property is currently developed with one single family residence (5505 Hummingbird), a manufactured home (400 West Stassney), and two sheds/garages and a storage trailer.



Other Observations:

- This property was assessed for flood hazards using current FEMA guidelines and standards for flood risk analysis in adherence to NFIP requirements and regulations. Portions of the Subject Property are located in a Special Flood Hazard Area. The development is located in a FEMA 100-year and 500-year floodplain, along with a City of Austin Fully Developed 25-year and 100-year floodplain.
- Per the City of Austin letter dated February 2024, no zoning change is necessary for the development of multifamily residences and single family residences on the site or for use of the site for multifamily residences and single family residences.

HIGHLIGHTS of ENVIRONMENTAL REPORTS

Provider: Progea, Inc. Date: 2/2/2024

Recognized Environmental Conditions (RECs) and Other Concerns:

- An asbestos survey will be required prior to any renovations or demolition activities.
- The tributary of Williamson Creek that runs along the western property boundary is depicted as a Riverine habitat. Additional study may be required if future site development will encroach on the stream. If no future development is planned in this area or in the Special Flood Hazard Area, then no further actions would be required. Per the Applicant, they have no plans to develop in the Riverine habitat or Special Flood Hazard Area. City of Austin allows up to 5,000 square feet of parking in the floodplain, at this time the design shows 1,400 square feet of parking in the floodplain.
- The Subject Property residence was constructed c. 1966 and likely contains lead paint. No peeling or flaking paint was observed during the Subject Property inspection. A lead-based paint survey was beyond the scope of this assessment.

Comments:

TDHCA is no longer conditioning in the report lead-based paint in buildings being demolished. It appears that this is an OSHA standard that the contractor has to comply with and a lead-based paint survey will be conducted before demolition. The applicant stated that their demolition contractor will follow all applicable local, state, and federal requirements for the demolition and disposal of any and all structures.

MARKET ANALYSIS

Provider: Novogradac Date: 3/20/2024

Primary Market Area (PMA): 20.0 sq. miles 3 mile equivalent radius

AFFORDABLE HOUSING INVENTORY						
Competitive Supply (Proposed, Under Construction, and Unstabilized)						
File #	Development	In PMA?	Type	Target Population	Comp Units	Total Units
N/A	None	N/A	#N/A	#N/A	N/A	#N/A
Stabilized Affordable Developments in PMA					Total Units	1,664
					Total Developments	12
					Average Occupancy	98.1%

Comments:

The Roz was awarded tax credits in 2023 for the new construction of a 100-unit LIHTC/PBV multifamily development to be located outside of the PMA, approximately 2.2 miles northeast of the Subject. The development will offer 100 studio units restricted to households earning 30, 50, and 60 percent of the AML, or less. Further, all 100 units will target formerly homeless households and benefit from Project-Based Vouchers, where tenants will contribute 30 percent of their income towards rent. A timeline of construction was unavailable as of the date of this report. As this development will benefit from additional subsidies and target a special needs tenancy, it will be competitive with the Subject's subsidized units, as proposed. However, the addition of these competitive units to the relevant supply would provide negligible change to our overall capture rates. As such, no additional units located outside of the PMA have been added to the supply.

OVERALL DEMAND ANALYSIS				
	Market Analyst			
	HTC	Assisted		
Total Households in the Primary Market Area	45,112			
Potential Demand from the Primary Market Area	7,697			
10% External Demand	770			
Potential Demand from Other Sources	0			
GROSS DEMAND	8,467			
Subject Affordable Units	78	26		
Unstabilized Competitive Units	0			
RELEVANT SUPPLY	78			
Relevant Supply ÷ Gross Demand = GROSS CAPTURE RATE	0.9%			

Population:	Supportive Housing	Market Area:	Urban	Maximum Gross Capture Rate:	30%
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UNDERWRITING ANALYSIS of PMA DEMAND by AMGI BAND									
AMGI Band	Market Analyst								
	Demand	10% Ext	Subject Units	Comp Units	AMGI Band Capture Rate				
50% AMGI	3,471	347	58	0	1.5%				
60% AMGI	4,226	423	20	0	0.4%				

UNDERWRITING ANALYSIS of PMA DEMAND by UNIT TYPE									
Unit Type	Market Analyst								
	Demand	10% Ext	Subject Units	Comp Units	Unit Capture Rate				
0 BR/50%	550	55	35	0	5.8%				
1 BR/50%	1,520	152	23	0	1.4%				
1 BR/60%	3,276	328	20	0	0.6%				

OPERATING PRO FORMA

SUMMARY- AS UNDERWRITTEN (Applicant's Pro Forma)

NOI:	\$533,695	Avg. Rent:	\$1,159	Expense Ratio:	61.1%
Debt Service:	\$0	B/E Rent:	\$697	Controllable Expenses:	\$4,015
Net Cash Flow:	\$533,695	UW Occupancy:	92.5%	Property Taxes/Unit:	\$1,000
Aggregate DCR:	N/A	B/E Occupancy:	56.5%	Program Rent Year:	2023

In March 2024, the Housing Authority of the City of Austin (HACA) committed to a total of 26 vouchers:

\$1,519 (0 bedroom - 13 units) and;

\$1,635 (1 bedroom - 13 units).

The payment standards: 10 Housing Choice Voucher project-based vouchers (HCV-PBV) and 16 Veterans Affairs Supportive Housing project-based vouchers (VASH-PBV) through a 20-year Housing Assistance Payment Contract (HAP). The Utility Allowance for the units receiving vouchers will be \$0.00.

Expense ratio and controllable expenses are higher for supportive housing properties. They are generally assumed to operate with no foreclosable debt and the developments are exempt from the underwriting feasibility criteria related to expense ratio, debt coverage, and cash flow.

DEVELOPMENT COST EVALUATION

SUMMARY- AS UNDERWRITTEN (Applicant's Costs)

Acquisition	\$1,150,974/ac	\$25,048/unit	\$2,605,000	Contractor Fee	\$2,119,047
Off-site + Site Work		\$24,712/unit	\$2,570,000	Soft Cost + Financing	\$3,752,010
Building Cost	\$242.91/sf	\$128,376/unit	\$13,351,070	Developer Fee	\$3,300,000
Contingency	7.00%	\$10,716/unit	\$1,114,475	Reserves	\$389,800
Total Development Cost		\$280,783/unit	\$29,201,402	Rehabilitation Cost	N/A
Qualified for 30% Basis Boost?		100% Supportive Housing [9% only]			

Off-site:

The Development is including \$250K of Off-Site costs for Off-Site Utilities:

- Water/Wastewater (Austin Water Utility) - Upgrades to existing water or wastewater facilities as determined by an SER requested from Austin Water Utility.
- Electric (Austin Energy) - Extend/Improve electrical service into the site.
- Telecommunication - Work with the chosen telecommunications provider to extend service to the site.

Building Cost:

Underwriter utilized Marshall & Swift's "good" base cost adjusted for small average unit size.

"Underwriter utilized Marshall & Swift's "good" base cost adjusted for a 5-story build and tight infill location. The general contractor has confirmed that they have included the additional costs for off-site storage and the extra costs of coordinating transportation to and from the site for employees and subcontractors.

Construction has to meet Austin Energy Green Building standards which largely contributes to the high building cost of \$242.9/sf. While that cost is significantly higher than most of the recent projects we have underwritten, it is still comparable to other supportive services deals of similar design.

The applicant limited Voluntary Eligible Building Costs (After 11.9(e)(2)) by \$4,285,159 to achieve desired score.

Credit Allocation Supported by Costs:

Total Development Cost	Adjusted Eligible Cost	Credit Allocation Supported by Eligible Basis
\$29,201,402	\$19,494,949	\$2,280,909

UNDERWRITTEN CAPITALIZATION

INTERIM SOURCES				
Funding Source	Description	Amount	Rate	LTC
Austin Housing Finance Corporation (AHFC) - Deferred Payable - Cash Flow	Local Government Loan - Deferred Payable - Cash Flow	\$11,500,000	0.00%	40%
KeyBank National Association ("Key") - Construction Loan	Construction Loan	\$14,000,000	7.00%	48%
Hudson Housing Capital LLC ("Hudson")	HTC	\$2,519,748	\$0.84	9%
City of Austin - Fee Waivers	\$11.9(d)(2)LPS Contribution	\$500	0.00%	0%
CORE Bailey at Stassney Developer LLC	Deferred Developer Fee	\$902,582	0.00%	3%
		\$28,922,830	Total Sources	

PERMANENT SOURCES									
Debt Source	PROPOSED				UNDERWRITTEN				
	Amount	Interest Rate	Amort	Term	Amount	Interest Rate	Amort	Term	LTC
Austin Housing Finance Corporation (AHFC) - Deferred Payable - Cash Flow	\$11,500,000	0.00%	N/A	40.0	\$11,500,000	0.00%	N/A	40.0	39%
City of Austin - Fee Waivers	\$500	Fee Waiver			\$500	Fee Waiver			0%
Total	\$11,500,500				\$11,500,500				

	PROPOSED			UNDERWRITTEN			
Equity & Deferred Fees	Amount	Rate	% Def	Amount	Rate	% TC	% Def
Hudson Housing Capital LLC ("Hudson")	\$16,798,320	\$0.84		\$16,798,320	\$0.84	58%	
CORE Bailey at Stassney Developer LLC	\$902,582		27%	\$902,582		3%	27%
	Total	\$17,700,902		\$17,700,902			
				\$29,201,402	Total Sources		

Credit Price Sensitivity based on current capital structure	
\$0.885	Maximum Credit Price before the Development is oversourced and allocation is limited
\$0.720	Minimum Credit Price below which the Development would be characterized as infeasible

CONCLUSIONS

Recommended Financing Structure:

Gap Analysis:	
Total Development Cost	\$29,201,402
Permanent Sources (debt + non-HTC equity)	\$11,500,500
Gap in Permanent Financing	\$17,700,902

Possible Tax Credit Allocations:	Equity Proceeds	Annual Credits
Determined by Eligible Basis	\$19,157,720	\$2,280,909
Needed to Balance Sources & Uses	\$17,700,902	\$2,107,461
Requested by Applicant	\$16,798,320	\$2,000,000

	RECOMMENDATION	
	Equity Proceeds	Annual Credits
Tax Credit Allocation	\$16,798,320	\$2,000,000

Deferred Developer Fee	\$902,582	(27% deferred)
Repayable in	2 years	

Recommendation:

Underwriter recommends an annual tax credit allocation of \$2,000,000 per the Applicant's request.

Underwriter:	<i>Mario Castellanos</i>
Manager of Real Estate Analysis:	<i>Robert Castillo</i>
Director of Real Estate Analysis:	<i>Jeanna Adams</i>

UNIT MIX/RENT SCHEDULE

Bailey at Stassney, Austin, 9% HTC #24018

LOCATION DATA

CITY:	Austin
COUNTY:	Travis
Area Median Income	\$122,300
PROGRAM REGION:	7
PROGRAM RENT YEAR:	2023

UNIT DISTRIBUTION

# Beds	# Units	% Total	Assisted	MDL	ARP	Match
Eff	52	50.0%	13	0	0	0
1	52	50.0%	13	0	0	0
2	-	0.0%	0	0	0	0
3	-	0.0%	0	0	0	0
4	-	0.0%	0	0	0	0
5	-	0.0%	0	0	0	0
TOTAL	104	100.0%	26	-	-	-

PRO FORMA ASSUMPTIONS

Revenue Growth	2.00%
Expense Growth	3.00%
Basis Adjust	130%
Applicable Fraction	100.00%
APP % Acquisition	4.00%
APP % Construction	9.00%
Average Unit Size	529 sf

48%	Income	20%	30%	40%	50%	60%	70%	80%	EO / MR	TOTAL
Average	# Units	-	21	-	63	20	-	-	-	104
Income	% Total	0.0%	20.2%	0.0%	60.6%	19.2%	0.0%	0.0%	0.0%	100.0%

UNIT MIX / MONTHLY RENT SCHEDULE

HTC		RENT ASSISTED UNIT		UNIT MIX				APPLICABLE PROGRAM RENT			APPLICANT'S PRO FORMA RENTS				TDHCA PRO FORMA RENTS				MARKET RENTS		
Type	Gross Rent	Type	Gross Rent	# Units	# Beds	# Baths	NRA	Gross Rent	Utility Allow	Max Net Program Rent	Delta to Max	Rent psf	Net Rent per Unit	Total Monthly Rent	Total Monthly Rent	Rent per Unit	Rent psf	Delta to Max	Underwritten		Mrkt Analyst
TC 30%	\$613	PBV	\$1,519	12	0	1	450	\$1,519	\$0	\$1,519	\$0	\$3.38	\$1,519	\$18,228	\$18,228	\$1,519	\$3.38	\$0	\$1,475	\$3.28	\$1,475
TC 50%	\$1,022	PBV	\$1,519	1	0	1	450	\$1,519	\$0	\$1,519	\$0	\$3.38	\$1,519	\$1,519	\$1,519	\$1,519	\$3.38	\$0	\$1,475	\$3.28	\$1,475
TC 50%	\$1,022	0		39	0	1	450	\$1,022	\$88	\$934	\$0	\$2.08	\$934	\$36,426	\$36,426	\$934	\$2.08	\$0	\$1,475	\$3.28	\$1,475
TC 30%	\$657	PBV	\$1,635	9	1	1	607	\$1,635	\$0	\$1,635	\$0	\$2.69	\$1,635	\$14,715	\$14,715	\$1,635	\$2.69	\$0	\$1,935	\$3.19	\$1,935
TC 50%	\$1,095	PBV	\$1,635	4	1	1	607	\$1,635	\$0	\$1,635	\$0	\$2.69	\$1,635	\$6,540	\$6,540	\$1,635	\$2.69	\$0	\$1,935	\$3.19	\$1,935
TC 50%	\$1,095	0		19	1	1	607	\$1,095	\$101	\$994	\$0	\$1.64	\$994	\$18,886	\$18,886	\$994	\$1.64	\$0	\$1,935	\$3.19	\$1,935
TC 60%	\$1,314	0		20	1	1	607	\$1,314	\$101	\$1,213	\$0	\$2.00	\$1,213	\$24,260	\$24,260	\$1,213	\$2.00	\$0	\$1,935	\$3.19	\$1,935
TOTALS/AVERAGES:				104			54,964				\$0	\$2.19	\$1,159	\$120,574	\$120,574	\$1,159	\$2.19	\$0	\$1,705	\$3.23	\$1,705

ANNUAL POTENTIAL GROSS RENT:

\$1,446,888 \$1,446,888

STABILIZED PRO FORMA
Bailey at Stassney, Austin, 9% HTC #24018

		STABILIZED FIRST YEAR PRO FORMA											
COMPARABLES				APPLICANT				TDHCA				VARIANCE	
Database		Travis County Supportive Housing		% EGI	Per SF	Per Unit	Amount	Amount	Per Unit	Per SF	% EGI	%	\$
POTENTIAL GROSS RENT					\$2.19	\$1,159	\$1,446,888	\$1,446,888	\$1,159	\$2.19		0.0%	\$0
Late fees, pet deposits						\$30.00	\$37,440						
Total Secondary Income						\$30.00		\$37,440	\$30.00			0.0%	\$0
POTENTIAL GROSS INCOME							\$1,484,328	\$1,484,328				0.0%	\$0
Vacancy & Collection Loss						7.5% PGI	(111,325)	(111,325)	7.5% PGI			0.0%	-
EFFECTIVE GROSS INCOME							\$1,373,003	\$1,373,003				0.0%	\$0

General & Administrative	\$48,959	\$471/Unit	\$57,322	\$551	4.21%	\$1.05	\$555	\$57,768	\$57,322	\$551	\$1.04	4.17%	0.8%	446
Management	\$44,227	3.3% EGI	\$55,164	\$530	6.00%	\$1.50	\$792	\$82,380	\$82,380	\$792	\$1.50	6.00%	0.0%	(0)
Payroll & Payroll Tax	\$150,717	\$1,449/Unit	\$207,416	\$1,994	13.46%	\$3.36	\$1,777	\$184,800	\$184,800	\$1,777	\$3.36	13.46%	0.0%	-
Repairs & Maintenance	\$91,324	\$878/Unit	\$132,583	\$1,275	6.55%	\$1.64	\$865	\$90,000	\$90,000	\$865	\$1.64	6.55%	0.0%	-
Electric/Gas	\$26,936	\$259/Unit	\$39,970	\$384	2.27%	\$0.57	\$300	\$31,200	\$39,970	\$384	\$0.73	2.91%	-21.9%	(8,770)
Water, Sewer, & Trash	Tenant Pays: WS \$86,400	\$831/Unit	\$49,169	\$473	3.92%	\$0.98	\$517	\$53,800	\$49,169	\$473	\$0.89	3.58%	9.4%	4,631
Property Insurance	\$57,575	\$1.05 /sf	\$48,801	\$469	7.28%	\$1.82	\$962	\$100,000	\$97,890	\$941	\$1.78	7.13%	2.2%	2,110
Property Tax (@ 100%) 1.809247	\$75,150	\$723/Unit	\$35,820	\$344	7.57%	\$1.89	\$1,000	\$104,000	\$97,456	\$937	\$1.77	7.10%	6.7%	6,544
Reserve for Replacements					2.27%	\$0.57	\$300	\$31,200	\$31,200	\$300	\$0.57	2.27%	0.0%	-
Supportive Services					7.28%	\$1.82	\$962	\$100,000	\$100,000	\$962	\$1.82	7.28%	0.0%	-
TDHCA Compliance fees (\$40/HTC unit)					0.30%	\$0.08	\$40	\$4,160	\$4,160	\$40	\$0.08	0.30%	0.0%	-
TOTAL EXPENSES					61.13%	\$15.27	\$8,070	\$839,308	\$834,347	\$8,023	\$15.18	60.77%	0.6%	\$ 4,961
NET OPERATING INCOME ("NOI")					38.87%	\$9.71	\$5,132	\$533,695	\$538,656	\$5,179	\$9.80	39.23%	-0.9%	\$ (4,961)

CONTROLLABLE EXPENSES		\$4,015/Unit		\$4,051/Unit	
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CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS
<i>Bailey at Stassney, Austin, 9% HTC #24018</i>

		DEBT / GRANT SOURCES																
		APPLICANT'S PROPOSED DEBT/GRANT STRUCTURE							AS UNDERWRITTEN DEBT/GRANT STRUCTURE									
		Cumulative DCR		Pmt	Rate	Amort	Term	Principal	Principal	Term	Amort	Rate	Pmt	Cumulative				
UW	App	DCR	LTC															
DEBT (Must Pay)	Fee																	
Austin Housing Finance Corporation (AHFC) - Deferred Payable - Cash Flow				-	0.00%	0	40.0	\$11,500,000	\$11,500,000	40.0	0.0	0.00%			39.4%			
CASH FLOW DEBT / GRANTS																		
City of Austin - Fee Waivers					0.00%	0	0.0	\$500	\$500	0.0	0.0	0.00%			0.0%			
				\$0	TOTAL DEBT / GRANT SOURCES			\$11,500,500	\$11,500,500	TOTAL DEBT SERVICE			\$0		39.4%			
NET CASH FLOW		\$538,656	\$533,695	APPLICANT NET OPERATING INCOME												\$533,695	\$533,695	NET CASH FLOW

	EQUITY SOURCES										
	APPLICANT'S PROPOSED EQUITY STRUCTURE					AS UNDERWRITTEN EQUITY STRUCTURE					
	DESCRIPTION	% Cost	Annual Credit	Credit Price	Amount	Amount	Credit Price	Annual Credit	% Cost	Annual Credits per Unit	Allocation Method
EQUITY / DEFERRED FEES											
Hudson Housing Capital LLC ("Hudson")	LIHTC Equity	57.5%	\$2,000,000	\$0.84	\$16,798,320	\$16,798,320	\$0.8399	\$2,000,000	57.5%	\$19,231	Applicant Request
CORE Bailey at Stassney Developer LLC	Deferred Developer Fees	3.1%	(27% Deferred)		\$902,582	\$902,582	(27% Deferred)		3.1%	Total Developer Fee:	
Additional (Excess) Funds Req'd		0.0%			\$0	\$0			0.0%		
TOTAL EQUITY SOURCES		60.6%			\$17,700,902	\$17,700,902			60.6%		
TOTAL CAPITALIZATION					\$29,201,402	\$29,201,402	15-Yr Cash Flow after Deferred Fee:			\$7,338,668	

		DEVELOPMENT COST / ITEMIZED BASIS													
		APPLICANT COST / BASIS ITEMS						TDHCA COST / BASIS ITEMS						COST VARIANCE	
		Eligible Basis		Total Costs				Total Costs				Eligible Basis		%	\$
		Acquisition	New Const. Rehab									New Const. Rehab	Acquisition		
Land Acquisition				\$25,048 / Unit	\$2,605,000	\$2,605,000	\$25,048 / Unit					0.0%	\$0		
Building Acquisition		\$0		\$ / Unit	\$0	\$0	\$ / Unit			\$0		0.0%	\$0		
Off-Sites			\$0	\$2,404 / Unit	\$250,000	\$250,000	\$2,404 / Unit			\$0		0.0%	\$0		
Site Work			\$1,865,000	\$19,135 / Unit	\$1,990,000	\$1,990,000	\$19,135 / Unit			\$1,865,000		0.0%	\$0		
Site Amenities			\$330,000	\$3,173 / Unit	\$330,000	\$330,000	\$3,173 / Unit			\$330,000		0.0%	\$0		
Building Cost			\$9,065,911	\$242.91 /sf	\$128,376/Unit	\$13,351,070	\$12,605,960	\$121,211/Unit	\$229.35 /sf	\$9,065,911		5.9%	\$745,110		
Contingency			\$788,264	7.00%	7.00%	\$1,114,475	\$1,062,317	7.00%	7.00%	\$788,264		4.9%	\$52,158		
Contractor Fees			\$1,686,884	14.00%	12.44%	\$2,119,047	\$2,119,047	13.05%	14.00%	\$1,686,884		0.0%	\$0		
Soft Costs		\$0	\$2,246,890	\$22,326 / Unit		\$2,321,890	\$2,321,890	\$22,326 / Unit		\$2,246,890	\$0	0.0%	\$0		
Financing		\$0	\$1,087,000	\$13,751 / Unit		\$1,430,120	\$1,430,120	\$13,751 / Unit		\$1,087,000	\$0	0.0%	\$0		
Developer Fee		\$0	\$2,425,000	14.21%	14.96%	\$3,300,000	\$3,188,858	15.00%	14.21%	\$2,425,000	\$0	3.5%	\$111,142		
Reserves				6 Months		\$389,800	\$389,800	6 Months				0.0%	\$0		
TOTAL HOUSING DEVELOPMENT COST (UNADJUSTED BASIS)		\$0	\$19,494,949	\$280,783 / Unit		\$29,201,402	\$28,292,992	\$272,048 / Unit		\$19,494,949	\$0	3.2%	\$908,410		
Acquisition Cost		\$0				\$0									
Contingency			\$0			(\$0)									
Contractor's Fee			\$0			\$0									
Financing Cost			\$0												
Developer Fee		\$0	\$0			\$0									
Reserves						\$0									
ADJUSTED BASIS / COST		\$0	\$19,494,949	\$280,783/unit		\$29,201,402	\$28,292,992	\$272,048/unit		\$19,494,949	\$0	3.2%	\$908,410		
TOTAL HOUSING DEVELOPMENT COSTS (Applicant's Uses are within 5% of TDHCA Estimate):						\$29,201,402									

CAPITALIZATION / TOTAL DEVELOPMENT BUDGET / ITEMIZED BASIS

Bailey at Stassney, Austin, 9% HTC #24018

CREDIT CALCULATION ON QUALIFIED BASIS				
	Applicant		TDHCA	
	Acquisition	Construction Rehabilitation	Acquisition	Construction
ADJUSTED BASIS	\$0	\$19,494,949	\$0	\$19,494,949
Deduction of Federal Grants	\$0	\$0	\$0	\$0
TOTAL ELIGIBLE BASIS	\$0	\$19,494,949	\$0	\$19,494,949
High Cost Area Adjustment		130%		130%
TOTAL ADJUSTED BASIS	\$0	\$25,343,434	\$0	\$25,343,434
Applicable Fraction	100.00%	100.00%	100%	100%
TOTAL QUALIFIED BASIS	\$0	\$25,343,434	\$0	\$25,343,434
Applicable Percentage	4.00%	9.00%	4.00%	9.00%
ANNUAL CREDIT ON BASIS	\$0	\$2,280,909	\$0	\$2,280,909
CREDITS ON QUALIFIED BASIS	\$2,280,909		\$2,280,909	

Method	ANNUAL CREDIT CALCULATION BASED ON APPLICANT BASIS		FINAL ANNUAL LIHTC ALLOCATION		
			Credit Price \$0.8399	Variance to Request	
	Annual Credits	Proceeds	Credit Allocation	Credits	Proceeds
Eligible Basis	\$2,280,909	\$19,157,720	----	----	----
Needed to Fill Gap	\$2,107,461	\$17,700,902	----	----	----
Applicant Request	\$2,000,000	\$16,798,320	\$2,000,000	\$0	\$0

BUILDING COST ESTIMATE				
CATEGORY	FACTOR	UNITS/SF	PER SF	
Base Cost:	Elevator Served	54,964 SF	\$184.50	10,141,099
Adjustments				
Exterior Wall Finish	0.48%		0.89	\$48,677
Elderly	0.00%		0.00	0
9-Ft. Ceilings	3.06%		5.65	310,318
Roof Adjustment(s)			2.84	156,000
Subfloor			0.60	32,978
Floor Cover			3.68	202,268
Enclosed Corridors	\$173.15	9,369	29.52	1,622,283
Balconies	\$36.23	1,058	0.70	38,331
Plumbing Fixtures	\$1,420	0	0.00	0
Rough-ins	\$700	156	1.99	109,200
Built-In Appliances	\$2,280	104	4.31	237,120
Exterior Stairs	\$3,550	8	0.52	28,400
Heating/Cooling			3.12	171,488
Storage Space	\$173.15	708	2.23	122,593
Carports	\$16.05	0	0.00	0
Garages	\$30.00	0	0.00	0
Common/Support Area	\$139.78	2,213	5.63	309,323
Elevators	\$168,600	1	3.07	168,600
Other: Mech./Elec./Pump & Support Facilities/Stairs & Elevators	\$173.15	4918	15.49	851,573
Fire Sprinklers	\$3.65	67,254	4.47	245,477
SUBTOTAL			269.19	14,795,728
Current Cost Multiplier	1.00		0.00	0
Local Multiplier	1.00		0.00	0
Reserved				0
TOTAL BUILDING COSTS			269.19	\$14,795,728
Plans, specs, survey, bldg permits	3.30%		(8.88)	(\$488,259)
Contractor's OH & Profit	11.50%		(30.96)	(1,701,509)
NET BUILDING COSTS		\$121,211/unit	\$229.35/sf	\$12,605,960

Long-Term Pro Forma

Bailey at Stassney, Austin, 9% HTC #24018

	Growth Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 25	Year 30	Year 35	Year 40
EFFECTIVE GROSS INCOME	2.00%	\$1,373,003	\$1,400,463	\$1,428,473	\$1,457,042	\$1,486,183	\$1,640,866	\$1,811,649	\$1,847,882	\$1,884,839	\$1,922,536	\$1,960,987	\$2,000,207	\$2,208,390	\$2,438,241	\$2,692,015	\$2,972,202
TOTAL EXPENSES	3.00%	\$839,308	\$863,663	\$888,733	\$914,538	\$941,100	\$1,086,071	\$1,253,620	\$1,290,142	\$1,327,737	\$1,366,439	\$1,406,278	\$1,447,290	\$1,671,182	\$1,930,045	\$2,229,376	\$2,575,543
NET OPERATING INCOME ("NOI")		\$533,695	\$536,800	\$539,740	\$542,504	\$545,083	\$554,795	\$558,029	\$557,740	\$557,102	\$556,098	\$554,709	\$552,917	\$537,208	\$508,196	\$462,639	\$396,659
EXPENSE/INCOME RATIO		61.1%	61.7%	62.2%	62.8%	63.3%	66.2%	69.2%	69.8%	70.4%	71.1%	71.7%	72.4%	75.7%	79.2%	82.8%	86.7%
MUST -PAY DEBT SERVICE																	
Austin Housing Finance Corporation (AHFC) - Deferred Payable - Cash Flow		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL DEBT SERVICE		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEBT COVERAGE RATIO																	
ANNUAL CASH FLOW		\$533,695	\$536,800	\$539,740	\$542,504	\$545,083	\$554,795	\$558,029	\$557,740	\$557,102	\$556,098	\$554,709	\$552,917	\$537,208	\$508,196	\$462,639	\$396,659
Deferred Developer Fee Balance		\$368,886	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CUMULATIVE NET CASH FLOW		\$0	\$167,914	\$707,653	\$1,250,157	\$1,795,241	\$4,552,053	\$7,338,668	\$7,896,408	\$8,453,510	\$9,009,608	\$9,564,317	\$10,117,233	\$12,839,434	\$15,444,366	\$17,856,018	\$19,980,306